

HUMAN CAPITAL MANAGEMENT

RESPONSIBLE PROGRAM MANAGERS

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DESCRIPTION OF PROBLEM

The Department of Energy is highly dependent on its Federal workforce for its mission accomplishment. Since 1995, the Department has experienced a 27 percent reduction in the workforce. Combined with other factors such as lengthy moratoria on hiring, the relative age of the workforce, and a variety of incentives to leave Federal service, the decline in staffing has left the Department with a significant challenge: reinvesting in its human capital to ensure that the right skills, necessary to successfully meet its missions, are available. In this regard, the Office of Inspector General has reported that staffing constraints have limited its ability to provide adequate audit coverage of the Department's major contractors. In FY 1999, the Department reported a Departmental Challenge of Mission Critical Staffing that was primarily a funding issue for several program offices with many having to absorb staffing cuts in the field. There were also secondary issues related to skill-mix, workforce alignment, and personnel action processing. By FY 2000, up to 30 percent of the Department's critical workforce was eligible for retirement within the next 5 years. This situation caused a focus on Headquarters recruiting and hiring practices and processes. FY 2000 also brought with it the challenge to implement the National Nuclear Security Administration (NNSA) and to re-think the alignment, missions, and critical skills needs of the Department. More recently, the Administration has recognized human capital management as a major problem government-wide and has included it as one of the five key initiatives of the President's Management Reform Agenda.

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PRIOR YEAR ACCOMPLISHMENTS

The Department's workforce challenges over the past years have been met with focused initiatives, some of the largest initiatives being the Strategic Alignment Initiative from FY1995-2000 and the Workforce for the 21st Century Initiative in FY 1999. In FY 2002, a departmental framework was developed with the implementation of a comprehensive human capital management strategy. This strategy began with development of a Workforce Analysis to serve as a baseline of workforce demographics for future change. The Department implemented a new SES Performance Management System that distinguishes high performers with higher awards and cascaded the system to non-SES managers and supervisors; developed a guidebook on recruiting, retaining, and developing a highly-skilled workforce; implemented Quickhire, an automated human resources system; developed the On-line Learning Center, Web-based learning technology; established a new Career Intern Program; launched the first SES Candidate Development Program since 1993; and guided major DOE offices in developing Business Visions and Workforce Plans.

In September 2001, the Department submitted a 5-Year Workforce Restructuring Plan with the FY 2003 budget submission to the Office of Management and Budget (OMB). This Plan serves as the blueprint for future improvements in Human Capital Management. In addition, the Department developed a Human Capital Management Strategic Plan that includes quarterly progress and planned actions on human capital actions that is submitted to OMB and the Office of Personnel Management each quarter as part of the President's Management Agenda Initiative on Human Capital. The Human Capital Management Strategic Plan is currently under revision to expand the Plan and include more detail on the numerous human capital initiatives. The revised Plan, which is scheduled to be issued in the third quarter of FY 2004, will replace the 5-year Workforce Restructuring Plan as the blueprint for improvements in Human Capital Management.

The Office of Inspector General (OIG) has undertaken efforts to improve the inadequate audit coverage portion of human capital management. Specifically, the OIG has requested additional funding in the FY 2005 budget to address increasing staffing requirements. In addition, the OIG's Office of Audit Services reorganized in May 2002. This reorganization was implemented along program lines. Further, risk assessments were being conducted to identify the greatest audit needs and a consolidated analysis of Internal Audit staffing levels

Offices within the Department are now right-sizing to address their specific needs. Environmental cleanup officials began rotations and succession planning in FY 2003. The Office of Environmental Management (EM) focus is to fully integrate individual performance into EM organizational goals. EM implemented a management rotation program and an executive mentoring program to develop the management leadership and resolve needed to overcome the barriers to cleanup encountered in the past. NNSA began its re-engineering effort to streamline operations and strengthen accountability. As part of that effort, the organization is reducing overall staffing levels and some positions are being

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geographically relocated. In addition, staffing plans have been approved for each NNSA Site Office.

	Projected Completion Date			
PLANNED CRITICAL MILESTONES	Previously Reported Date	Current Completion Date	Responsible Office	Responsible Individual
Issue revised guidance on the Cooperative Audit Strategy.	09/03	03/04	IG	William Maharay
Extend application of workforce planning methodology to other key occupational groups.	09/04	09/04	OMBE	Claudia Cross
Establish performance measures that can be used in FY 2003-2007 to assess effectiveness of above actions and overall progress achieved in improving human capital management.	09/03-07	09/03-07	OMBE	Claudia Cross
Complete Reorganization of Headquarters office of Environmental Management	N/A	09/04	EM	Jessie Roberson
Fully implement all NNSA re-engineering plans	N/A	09/06	NNSA	Mike Kane

PROGRESS STATUS

Human Capital Management is an area of government-wide focus as increasing emphasis is being placed on performance and accountability at both the Departmental and individual employee level. Program Offices within DOE are examining ways to reduce layers of management, streamline decision-making, remove duplicative and unnecessary work, clarify lines of authority and increase flexibility to respond to shifting priorities by effectively leveraging resources. EM's human capital strategy focuses on building a high-performance culture that attracts and retains talented managers and staff to deliver performance excellence. EM is developing an organizational structure that is clearly aligned to deliver on its accelerated risk reduction and closure initiative. NNSA is re-engineering its workforce by eliminating a confusing management layer and clarifying relative roles and responsibilities between Headquarters, Site Offices and the contractors. These reforms strengthen management by shifting program management authority closer to where actual work is performed. The Office of Science also began a reorganization effort to clarify lines of authority, improve employee to supervisor ratios and eliminate unnecessary organizational layers.

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All of these efforts are in full support of the President's Management Agenda (PMA) to focus on improved human capital management. In addition, the DOE Management Council, comprised of DOE Secretarial Officers, continues to meet monthly to focus on achievements of the PMA. OMB provided DOE with the fourth quarter, FY 2003 PMA Scorecard and DOE received a "Green" score in human capital management on progress and a "Yellow" score on overall status. DOE has projected it will be at "Green" in overall status by July 2004 as part of the Administration's "Where We'd Be Proud To Be" exercise.

PROPOSED CLOSURE DATE

Closure of the significant issue is contingent upon successful completion of the Department's individual programmatic reorganization efforts. Current plans extend these efforts through the completion of Fiscal Year 2006.